

Colorado Income Tax Withholding Worksheet For Employers



What's Inside?

- Colorado withholding instructions related to 2020 IRS Form W-4
- Colorado withholding options related to 2019 and prior IRS Forms W-4
- See the Colorado Wage Withholding Tax Guide at [Colorado.gov/Tax](https://colorado.gov/tax) for information about wage withholding requirements, taxable and exempt wages, filing frequency, and W 2 wage and tax statements



COLORADO
Department of Revenue
Taxation Division



Colorado.gov/Tax

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Colorado Income Tax Withholding

This Colorado Income Tax Withholding Worksheet prescribes the method for calculating Colorado income tax withholding and supplements the guidance provided in the Colorado Wage Withholding Tax Guide. Please consult the Colorado Wage Withholding Tax Guide for information about wage withholding requirements, taxable and exempt wages, filing frequency, and W-2 wage and tax statements.

Colorado income tax withholding is based on information reported by employees on the Employee's Withholding Certificate, IRS Form W-4. There is no separate Colorado withholding certificate. The IRS made significant changes to Form W-4, which take effect January 1, 2020.

Any employee who commences employment on or after January 1, 2020 must complete the new 2020 IRS Form W-4. For any employee who has completed a 2020 IRS Form W-4, the employer must calculate the required Colorado wage withholding using the worksheet appearing below.

With respect to any employee employed prior to January 1, 2020, who completed a 2019 or prior IRS Form W-4, and for whom the employer previously withheld Colorado income taxes, the employer may elect to use one of three prescribed methods for calculating the required withholding amounts. In such case, the employer may calculate the required withholding by using:

1. the worksheet appearing below;
2. the withholding tables published previously by the Department in the Colorado Income Tax Withholding Tables For Employers (DR 1098); or
3. the percentage method published previously by the Department in the Colorado Income Tax Withholding Tables For Employers (DR 1098)

Colorado Income Tax Withholding Worksheet for Employers

Instructions:

All employers can fill out the worksheet below to determine Colorado withholding. **This worksheet must be used for 2020 and later W-4s.** This worksheet can also be used for 2019 and earlier W-4s.

Pay Period Table

Annually	Semiannually	Quarterly	Monthly	Semimonthly	Biweekly	Weekly	Daily
1	2	4	12	24	26	52	260

Step 1: Wages

- 1a** Enter the employee's total taxable wages this payroll period..... **1a** \$ _____
- 1b** Enter the number of pay periods you have per year (see Pay Period Table)..... **1b** _____
- 1c** Multiply the amount on line 1a by the number on line 1b..... **1c** \$ _____

Step 2: Withholding Calculation

- 2a** Enter \$8,000 if the taxpayer is married filing jointly or \$4,000 otherwise..... **2a** \$ _____
- 2b** Subtract line 2a from line 1c. If zero or less, enter -0-..... **2b** \$ _____
- 2c** Multiply the amount on line 2b by 4.63%..... **2c** \$ _____
- 2d** Divide the amount on line 2c by the number of pay periods on line 1b..... **2d** \$ _____
- 2e** Ask employee if they would like an additional amount withheld from their Colorado taxes per pay period. Enter that amount here. Otherwise enter -0-..... **2e** \$ _____
- 2f** Sum lines 2d and 2e. **This is the Colorado withholding amount per pay period.....** **2f** \$ _____

Want to make filing and managing your state withholding taxes easier?

Revenue Online is website where taxpayers, businesses and tax professionals can immediately and securely conduct business with the Colorado Department of Revenue on their computers, laptops, smartphones and tablets.

Revenue Online Account Access for Business includes the following services for Colorado taxes:

- Access Your Tax Account (Sign Up/Login)
- Add Power of Attorney for all tax matters
- Add Third Party access to Revenue Online account
- Mailing Address Change
- Amend a Return
- Balance Inquiry
- Copy of Return
- File a Protest
- File a Return (including "zero" returns)
- Make a Payment
- Manage online account access
- Set up access to the tax account for more than one person in the business
- Upload E-File Attachments (income tax documentation)
- View Letters from the department
- View Payments

For Withholding Tax specifically you can:

- Submit a withholding annual reconciliation statement
- Submit W-2s (electronic files or type them in)
- Sign up as a Withholding Submitter on behalf of a business/client

How Do I Sign Up for Revenue Online?

Go to Revenue Online Colorado.gov/RevenueOnline to register for online access. Be sure you have information about your account in front of you, such as department-issued Colorado Account Number (CAN); zip code on your account and your most recent Colorado tax return. You must have a Colorado tax account to use Revenue Online.

Scan here, it's **that** easy!



Or visit: Colorado.gov/RevenueOnline—Try it Today!



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Frequently Asked Questions About Colorado Withholding Tax Requirements

Question: Is there a separate Colorado form similar to the federal W-4 form the employee must complete?

Answer: No. Colorado withholding is calculated based on the federal W-4 forms. Call (800) 829-1040 to order federal W-4 forms. You may also visit www.IRS.gov

Question: Should I furnish a listing of individual employees with my returns?

Answer: No. A breakdown or listing of individual employees is not required with your returns. This information is on the W-2s filed with your "Annual Transmittal of State W-2 Forms" (DR 1093).

Question: What determines whether a return is filed late?

Answer: The postmark stamped by the U.S. Postal Service determines whether a filing is late. In other words, if a return that is due on the 15th day of a month is postmarked on or before the 15th, it will be accepted as "timely filed" regardless of when it arrives at Department of Revenue offices. Timely filing for weekly filers paying by EFT credit requires origination of the payment transaction on the due date. If paying through the Department's EFT debit service, the payment must be made before 4:00 p.m. Mountain Time on the due date. Payments remitted after 4:00 p.m. on the due date will be subject to a delinquent payment penalty.

Question: If I make a withholding tax payment by EFT, do I need to also file through Revenue Online or on paper?

Answer: No. The EFT withholding payment satisfies the filing requirement. Filing a return in addition to the payment may result in an erroneous bill.

Question: How do I use Secure Messaging in my Revenue Online Account?

Answer: First, you need to create your Login ID and Password in Revenue Online at Colorado.gov/RevenueOnline. For instructions see the "Help" link under the Revenue Online home page menu.

Question: How do EFT filers pay a notice of deficiency for penalty and interest?

Answer: Payment for any notice of deficiency for wages withholding tax, penalty, and/or interest can be remitted via EFT using the tax type code 01130.

Question: Can I opt to file my withholding taxes by EFT even if I don't collect \$50,000 in withholding taxes annually?

Answer: Yes. The department encourages it. Visit Colorado.gov/revenue/efit for more information on how to file by EFT.

Colorado Department of Revenue Taxpayer Service Centers

Denver Metro

1375 Sherman St
Denver, CO 80261

Fort Collins

3030 S College Ave
Fort Collins, CO 80525

Pueblo

827 W 4th St, Suite A
Pueblo, CO 81003

Colorado Springs

2447 N Union Blvd
Colorado Springs, CO 80909

Grand Junction

222 S 6th St, Room 208
Grand Junction, CO 81501



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